

5/027/025



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE
35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:
3800
(U-010)
UTU-079849

February 23, 2004

CERTIFIED MAIL #7003 2260 0005 6848 5424
RETURN RECEIPT REQUESTED

VICTOR P LAMONLIARE II
CASCO GROUP INC
ROCKGARDEN DEPT
860 AIRWAY DR
FILLMORE UT 84631

Dear Mr. Lamonliare:

Casco Group's Plan of Operations for the Anchor Zebra Rock Mine, located in T. 23 S., R. 13 W., Section 9, has been approved contingent upon the following mitigation:

1. Reclamation will consist of recontouring the disturbed areas and ripping the access roads, spreading any stockpiled topsoil over the disturbed area, and spreading an appropriate seed mix over the topsoil and roads.

However; before you can begin operations, you must comply with the 43 CFR 3809 regulations and submit a financial guarantee for reclamation, and an initial deposit of \$400 for the escrow account. Since the Utah Division of Oil, Gas and Mining (UDOGM) also requires financial guarantees for reclamation, you should consult with them on the amount that will be required. We will review that amount, and if we concur that it is adequate, you may submit the bond to UDOGM as a joint bond for both agencies.

The escrow account is necessary to satisfy the requirements of 43 CFR 3809.101(a) and (b), which state that the BLM must prepare mineral report prior to your commencing operations to mine minerals that may be "common variety", unless the operator establishes an escrow account for the value of the material. The United States vs. McClarty determined that in order to be an "uncommon variety" a mineral must meet the following criteria:

1. There must be a comparison of the mineral deposit in question with other deposits of such minerals generally;

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DIV. OF OIL, GAS & MINING

2. The mineral deposit in question must have a unique property;
3. The unique property must give the deposit a distinct and special value;
4. If the special value is for uses to which ordinary varieties of the mineral are put, the deposit must have some distinct and special value for such use; and
5. The distinct and special value must be reflected in the market place (or in reduced cost or overhead so that the profit to the claimant would be substantially more).

Our preliminary opinion is that Zebra Rock is not an uncommon variety; therefore, if you wish to commence mining before we can complete the mineral report, which will probably take up to one year, you must submit the value of material you will produce in one year. You proposed removing 1000 tons over five years, so one year's production should be about 200 tons. Zebra Rock has appraised at \$20.00 per ton; thus, the value for one year's production would be \$400.00, if you mine at a consistent rate over the five years. Upon completion of the mineral report, if the mineral is found to be a common variety, you will forfeit the escrow account, and you may enter into a sales contract for the remaining material. Unless the mineral report finds the material to be an uncommon variety, the value of the material mined must never exceed the funds placed in the escrow account.

Approval of this mine plan will not now, nor in the future, serve as a determination of the validity nor ownership of any mining claim included under the plan. If you have any questions, please feel free to contact Sheri Wysong at (435) 743-3124.

Sincerely,



Glen Nebeker
Acting Field Office Manager

cc: Tom Munson, UDOGM (S/027/025)